

Entered August 18, 1978

JAR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6297  
Order No. R-5781

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN ORDER  
CREATING, CONTRACTING, AND EXTENDING  
CERTAIN POOLS IN CHAVES, EDDY, AND LEA  
COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9:00 a.m. on August 16, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of August, 1978, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Indian Flats-Atoka Gas Pool. Said Indian Flats-Atoka Gas Pool was discovered by the Perry R. Bass Big Eddy Unit No. 41 located in Unit J of Section 35, Township 21 South, Range 28 East, NMPM. It was completed January 28, 1978, in the Atoka formation. The top of the perforations is at 11,419 feet.

(3) That there is need for the creation of a new oil pool in Chaves County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of South Lonesome-San Andres Pool. Said South Lonesome-San Andres Pool was discovered by the Flag-Redfern Oil Company

-2-

Case No. 6297

Order No. R-5781

Wilson Well No. 1 located in Unit A of Section 31, Township 8 South, Range 32 East, NMPM. It was completed in the San Andres formation on March 23, 1978. The top of the perforations is at 4094 feet.

(4) That there is need for the creation of a new gas pool in Chaves County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Many Gates-Morrow Gas Pool. Said Many Gates-Morrow Gas Pool was discovered by the Amoco Production Company DQ Well No. 1 located in Unit C of Section 32, Township 9 South, Range 30 East, NMPM. It was completed in the Morrow formation on March 15, 1978. The top of the perforations is at 9,342 feet.

(5) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Millman-Wolfcamp Gas Pool. Said Millman-Wolfcamp Gas Pool was discovered by the Depco, Inc. DHY State B Well No. 1 located in Unit L of Section 11, Township 19 South, Range 28 East, NMPM. It was completed in the Wolfcamp formation on December 8, 1977. The top of the perforations is at 8,870 feet.

(6) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of South Shoe Bar-Morrow Gas Pool. Said South Shoe Bar-Morrow Gas Pool was discovered by the HNG Oil Company Shoe Bar Ranch "3" Well No. 1 located in Unit C of Section 3, Township 17 South, Range 35 East, NMPM. It was completed in the Morrow formation on April 24, 1978. The top of the perforations is at 12,839 feet.

(7) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of Wilson-Strawn Pool. Said Wilson-Strawn Pool was discovered by the Dorchester Exploration, Inc. Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, NMPM. It was completed in the Strawn formation on May 23, 1978. The top of the perforations is at 11,156 feet.

(8) That there is need for the contraction of the vertical limits of the Wilson-Pennsylvanian Gas Pool to the Morrow formation only and the redesignation of said Wilson-Pennsylvanian Gas Pool as the Wilson-Morrow Gas Pool. This

-3-

Case No. 6297

Order No. R-5781

contraction is necessary because of the completion of a Strawn oil well in same pool acreage.

(9) That the proposed extension of the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, should be dismissed due to an error in advertising.

(10) That there is need for certain extensions to the Cato-San Andres Pool, and the Tom-Tom San Andres Pool both in Chaves County, New Mexico, and the Avalon-Upper Pennsylvanian Gas Pool, the Avalon-Strawn Gas Pool, the Burton Flat-Morrow Gas Pool, the East Burton Flat-Atoka Gas Pool, the South Carlsbad-Morrow Gas Pool, the Cemetery-Morrow Gas Pool, the Eagle Creek-Strawn Gas Pool, the Hoag Tank-Morrow Gas Pool, the South Millman-Morrow Gas Pool, the Red Lake-Queen-Grayburg-San Andres Pool, and the Revelation-Morrow Gas Pool, all in Eddy County, New Mexico, and the Austin-Mississippian Gas Pool, the South Bell Lake-Morrow Gas Pool, the Blinebry Oil and Gas Pool, the Buffalo-Pennsylvanian Gas Pool, the Comanche Stateline-Yates Pool, the Drinkard Pool, the E-K Bone Springs Pool, the Grayburg Jackson-Queen-Grayburg-San Andres-Seven Rivers Pool, the Justis-Blinebry Pool, the West King-Pennsylvanian Pool, the South Leonard-Queen Pool, the Maljamar-Grayburg-San Andres Pool, the Sand Springs-Devonian Pool, the North Teague-Devonian Pool, the Wantz-Abo Pool, the Wantz-Granite Wash Pool, and the Warren-Tubb Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production, is hereby created and designated as the Indian Flats-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
Section 35: E/2

(b) That a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production, is hereby created and designated as the South Lonesome-San Andres Pool, consisting of the following described area:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 31: NE/4

-4-

Case No. 6297

Order No. R-5781

(c) That a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production, is hereby created and designated as the Many Gates-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM  
Section 32: N/2

(d) That a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production, is hereby created and designated as the Millman-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 11: W/2

(e) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production, is hereby created and designated as the South Shoe Bar-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 3: N/2

(f) That a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production, is hereby created and designated as the Wilson-Strawn Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 13: SE/4

(g) That the vertical limits of the Wilson-Pennsylvanian Gas Pool in Lea County, New Mexico, are hereby contracted to include the Morrow formation only and said Wilson-Pennsylvanian Gas Pool is hereby redesignated the Wilson-Morrow Gas Pool.

(h) That the Austin-Mississippian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
Section 16: SW/4  
Section 17: SE/4

(i) That the Avalon-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined,

-5-

Case No. 6297  
Order No. R-5781

and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 10: W/2

(j) That the Avalon-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 3: S/2  
Section 10: W/2

(k) That the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM  
Section 7: S/2  
Section 18: N/2

(l) That the Blinebry Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 29: NE/4

(m) That the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 5: SW/4  
Section 6: SE/4

(n) That Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 14: E/2

(o) That the East Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 16: E/2  
Section 20: N/2  
Section 21: N/2

-6-

Case No. 6297

Order No. R-5781

(p) That the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 29: E/2

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 21: N/2

(q) That the Cato-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM  
Section 32: SW/4

(r) That the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 20: S/2  
Section 21: S/2  
Section 28: N/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 36: N/2

(s) That the Comanche Stateline-Yates Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 28: N/2

(t) That the Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 7: E/2 and SW/4

(u) That the Eagle Creek-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 5: W/2  
Section 6: E/2

-7-

Case No. 6297

Order No. R-5781

(v) That the E-K Bone Springs Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 32: NE/4  
Section 33: W/2

(w) That the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM  
Section 31: N/2

(x) That the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 15: S/2

(y) That the Justis-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 3: E/2 SE/4

(z) That the West King-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM  
Section 8: NW/4

(aa) That the South Leonard-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM  
Section 13: NW/4  
Section 14: W/2

(bb) That the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

-8-

Case No. 6297

Order No. R-5781

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 11: SE/4

(cc) That the South Millman-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 20: S/2  
Section 29: N/2

(dd) That the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 13: W/2 SE/4 and NE/4 SE/4

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 18: SW/4

(ee) That the Revelation-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Section 10: E/2

(ff) That the Sand Springs-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM  
Section 2: SE/4

(gg) That the North Teague-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 27: NE/4

(hh) That The Tom-Tcm San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM  
Section 33: W/2



-9-

Case No. 6297  
Order No. R-5781

(ii) That the Wantz-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 3: NE/4

(jj) That the Wantz-Granite Wash Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 35: NE/4

(kk) That the Warren-Tubb Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 28: NW/4  
Section 29: NE/4

(ll) That the proposed extension to the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, is hereby dismissed.

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules, providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations, contractions, and extensions included herein shall be September 1, 1978.

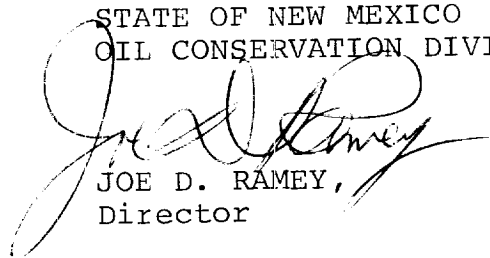
-10-

Case No. 6297

Order No. R-5781

DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY,  
Director

S E A L

dr/